

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: March 3, 2010 **Time:** 1:30 p.m.
Members Present: Willis O. Shay, *Chairman*, John Diamond, *Vice Chairman*, Louise Miller Cohen, Michael A. Keskin, Bret Martin, John S. Munro, Frank Soule
Members Absent: None
Staff Present: Susan Simmons, *Director of Finance*, Debra Cyrilla, *Accounting Specialist*
Others Present: John D. Safay, *Councilman*, Kathi Bateson, Jeffrey Reeves, GERALYN Keating, *Arts Center of Coastal Carolina*, Mary Briggs, *Hilton Head Symphony Orchestra*, Representative from *Hilton Head Island-Bluffton Chamber of Commerce*
Media: Laura Nahmias, *Island Packet*

I Call to Order:

The meeting was called to order at 1:30 p.m.

II FOIA Compliance:

Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

III APPROVAL OF MINUTES

Mr. Keskin moved to approve the Minutes of December 9, 2009. Mr. Martin seconded the motion. The Motion passed unanimously. (7-0)

IV CHAIRMAN'S REPORT

V UNFINISHED BUSINESS

None

VI NEW BUSINESS

Consideration of forward funded agencies at the request of Town Council.

Mr. Shay stated the purpose of the meeting was both to reconsider forward funding for the Arts Center of Coastal Carolina, the Hilton Head Symphony Orchestra and the Town of Hilton Head Island, at the request of Town Council, and to make recommendations as to the amount of funding that should be granted to these agencies should Town Council decide to approve forward funding.

Mr. Shay asked Kathi Bateson, President of the Arts Center of Coastal Carolina to address the Committee on the Arts Center's reason for requesting forward funding. Ms. Bateson described the importance of the Arts Center having a grant amount figure in advance because of the massive amount of planning that they do to present the programs that they offer. She explained

that they need to plan more than twelve months in advance in order to contract quality artists and support.

After speaking Ms. Bateson answered questions from Committee members. Mr. Diamond questioned why the Arts Center needed a guarantee of funding knowing that they have been receiving ATAX funds for the past sixteen years and have received at least \$350,000 each year since 2003. Ms. Bateson replied that aside from trying to plan programs over a year in advance, there are often unexpected capital improvement expenses that come up. Mr. Shay asked Ms. Bateson if it would be acceptable to award the Arts Center 87% of their 2009 grant, to be adjusted up or down depending on what the actual revenue is. Ms. Bateson replied that she thought that recommendation would be very fair.

Mr. Shay invited Mary Briggs, Executive Director of the Hilton Head Symphony Orchestra to speak to the Committee. Mr. Shay disclosed a potential conflict of interest and temporarily left the dias. The required disclosure form is attached. Vice Chairman, John Diamond presided on an interim basis. Ms. Briggs explained that many of the Symphony's issues are similar to those of the Arts Center. Their programming and contracting is done well in advance of the actual performance. They have made fixed costs cuts and have cut personnel staff costs leaving the only variable left in artistic costs. Ms. Briggs feels that getting a figure with some assurance and stability is very important for their advance budget planning. Ms. Briggs then answered questions from the Committee.

After returning to the dias Mr. Shay asked Susan Simmons, Director of Finance for the Town of Hilton Head Island to speak on behalf of the Town. Ms. Simmons stated that if Town Council was in favor of forward funding the Town would probably apply. If Town Council chose not to support forward funding the Town would not request it. The Town believes that they can adequately deal with being funded on the same basis as all of the other grantees. They would include funds from the ATAX grant in their budget and assume that they would receive ATAX funds in the amount similar to previous years. Ms. Simmons explained that with forward funding Town Council is granting ATAX awards before they have the funds in hand and before they know the amount of funds they will receive. Ms. Simmons went on to answer questions from the Committee.

Mr. Shay asked for a motion for recommendation to Town Council for or against forward funding. Mr. Diamond made a motion to recommend to Town Council that forward funding not be renewed and to adopt the practice of not accepting forward funding, with the exception of the Native Island Business & Community Affairs Association. Mr. Munro seconded the motion. The Motion passed unanimously. (7-0). Mr. Shay called for a motion on the second issue which regarded recommending a grant amount, should Town Council decide to support forward funding. Mr. Shay and Mr. Soule disclosed a potential conflict of interest and recused themselves. The required disclosure forms are attached. Mr. Keskin made a motion to award 82% of what each agency was awarded in 2008 and paid in 2009, to be adjusted up or down depending on what the actual revenue was. Ms. Cohen seconded the motion. The Motion passed. (5-0-2). Mr. Shay and Mr. Soule abstained because of a conflict of interest.

VII ADJOURNMENT

Mr. Diamond moved to adjourn the meeting. Mr. Soule seconded the Motion. The meeting was adjourned at 2:45 p.m.

Approved:

Respectfully submitted:

Willis O. Shay, Chairman

Debra Cyrilla, Accounting Specialist